

DEPARTMENT OF FINANCE BILL ANALYSIS

AMENDMENT DATE: July 1, 2008
POSITION: Oppose

BILL NUMBER: SB 1500
AUTHOR: C. Kehoe
RELATED BILLS: AB 2447 (Jones)

BILL SUMMARY: CEQA: Fire Hazards: State Responsibility Areas

Existing law establishes the Board of Forestry and Fire Protection (Board) to determine which areas of the state should be designated as State Responsibility Areas (SRAs) for the purpose of providing wildland fire protection. This bill would require counties to notify the State Fire Marshal (SFM) of any proposal to build residential structures in SRAs for the purpose of reevaluating the fire protection responsibility designation. The bill would also prohibit a county from acting on a development project in SRA until it certifies that there would be adequate structural fire protection service.

FISCAL SUMMARY

Historically, about 10,000 new residential dwellings are constructed in SRAs each year. The Department of Forestry and Fire Protection (CAL FIRE) estimates costs of \$4.7 million and 33 positions to meet the requirement to evaluate each proposed project to construct residential dwelling units in SRA. These costs would be reimbursed by project proponents. Statute does not require CAL FIRE to provide structural fire protection services in SRA. The requirement for the SFM to determine whether a proposed project should stay in SRA or become Local Responsibility Area (LRA) for the purpose of structural fire protection could result in determinations that the state should provide structural fire protection service. Additionally, it implies that the state has structural fire protection responsibilities in SRA unless the SFM changes that designation. It would cost tens of millions General Fund to provide structural fire protection services in SRA.

We note that existing statute does not explicitly require local governments to provide structural fire protection in SRAs. The requirement of the bill for a county to ensure sufficient structural fire protection before approving a project would not result in a reimbursable state mandate because the county would have the option of denying the project. The requirement for a county to notify the Board of any proposed residential development would result in a state mandate that would not be reimbursable because the county would be able to pass the notification costs to the project proponent.

SUMMARY OF CHANGES

Amendments to this bill since our analysis of the April 9, 2008 version include the following significant amendments which do not change our position:

- The bill now requires the SFM instead of the Board to determine whether a project should change the designation of an area from LRA to SRA.
- The specific residential density level of one unit per 20 acres for designation as SRA for structural fire protection has been deleted.

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COMMENTS

Finance opposes this bill because it is unnecessary, would have significant General Fund costs, and could require CAL FIRE to assume new structural fire protection duties that would cost tens of millions annually. Additionally, determinations of local or state responsibility area would more appropriately be performed by the Board, not the SFM.

Analyst/Principal (0634) M. Almy	Date	Program Budget Manager Karen Finn	Date
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Department Deputy Director	Date
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Governor's Office:	By:	Date:	Position Approved _____
			Position Disapproved _____

BILL ANALYSIS	Form DF-43 (Rev 03/95 Buff)
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SB 1500

It is unclear why the bill is necessary because the Board already has the authority to designate lands as LRA if a project would make that designation more appropriate. Designating lands as LRA would remove the state's responsibility to provide fire protection services in that area. Additionally, determining whether structural fire protection should be a local responsibility would be a separate process from the LRA/SRA designation process because LRA/SRA designation is based on who should provide wildland fire protection. Under the provisions of the bill, the SFM could determine that structural fire protection should be a local responsibility based on a proposed project without designating the land as LRA for the purpose of wildland fire protection. That decision would not result in a reimbursable state mandate for local governments to provide structural fire protection services because the county would be authorized to deny the project.

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		SO	(Fiscal Impact by Fiscal Year)						
Code/Department	LA	(Dollars in Thousands)							
Agency or Revenue	CO	PROP							Fund
Type	RV	98	FC	2008-2009	FC	2009-2010	FC	2010-2011	Code
3540/Forest&Fire	SO	No		-----	See Fiscal Summary	-----			0001
3540/Forest&Fire	SO	No	C	\$0	C	\$4,700	C	\$4,700	0499
9000/Reimburs	RV	No	U	\$0	U	\$4,700	U	\$4,700	0499
<u>Fund Code</u>	<u>Title</u>								
0001	General Fund								
0499	Pending New Special Funds								

